

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FRANCHISE GROUP, INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 24-12480 (LSS)

(Jointly Administered)

Objections Due: May 27, 2025 at 4:00 P.M. (ET)
Hearing Date: To be scheduled if necessary

**NOTICE OF FIRST MONTHLY FEE APPLICATION FOR COMPENSATION AND
REIMBURSEMENT OF EXPENSES OF BACK BAY MANAGEMENT CORPORATION
AND ITS DIVISION, THE MICHEL-SHAKED GROUP, AS EXPERT WITNESS FOR
THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS FOR THE PERIOD
FROM MARCH 17, 2025 THROUGH APRIL 30, 2025**

PLEASE TAKE NOTICE that on May 5, 2025, Back Bay Management Corporation and its Division, the Michel-Shaked Group (“MSG” or the “Firm”) expert witness for the official committee of unsecured creditors (the “Committee”), filed its *First Monthly Fee Application for Compensation and Reimbursement of Expenses of Back Bay Management Corporation and its*

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy’s Newco, LLC (5404), Buddy’s Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260); Franchise Group Newco BHF, LLC (4123); Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies “Plus”, LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors’ headquarters is located at 109 Innovation Court, Suite J, Delaware, Ohio 43015.

Division, the Michel-Shaked Group, as Expert Witness for the Official Committee of Unsecured Creditors for the Period of March 17, 2025 through April 30, 2025 (the “Application”), seeking compensation for the reasonable and necessary services rendered to the Committee in the amount of \$937,455.50 and reimbursement for actual and necessary expenses in the amount of \$6,586.11. A copy of the Application is attached hereto for service upon you.

PLEASE TAKE FURTHER NOTICE that any response or objection to the Application, if any, must be made in writing and filed with the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801 (the “Court”) on or before May 27, 2025 at 4:00 p.m. Eastern Time.

The Application is submitted pursuant to the *Order Establishing Procedures for Interim Compensation and Reimbursement of Estate Professionals* [Docket No. 353] (the “Administrative Order”) and the *Order Appointing Fee Examiner and Establishing Procedure for Consideration of Requested Fee Compensation and Reimbursement of Expenses* [Docket No. 747] (the “Fee Examiner Order”).

PLEASE TAKE FURTHER NOTICE that at the same time, you must also serve a copy of the response or objection upon the following parties (the “Fee Notice Parties”): (i) counsel to the Debtors, Kirkland & Ellis LLP, 601 Lexington Avenue, New York, NY 10022, Attn: Joshua A. Sussberg, P.C. (jsussberg@kirkland.com), Nicole L. Greenblatt, P.C. (nicole.greenblatt@kirkland.com), Mark McKane, P.C. (mark.mckane@kirkland.com), and Derek I. Hunter (derek.hunter@kirkland.com), Maddison Levine (maddison.levine@kirkland.com), and Brian J. Nakhaimousa (brian.nakhaimousa@kirkland.com), and (b) Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, DE 19801, Attn: Edmon L. Morton, Esq. (emorton@ycst.com), Matthew B. Lunn, Esq. (mlunn@ycst.com), and Allison S.

Mielke, Esq. (amielke@ycst.com); (ii) counsel to the Committee, Pachulski Stang Ziehl & Jones LLP, (a) 919 North Market Street, 17th Floor, P.O. Box 8705, Wilmington, DE 19899, Attn: Bradford J. Sandler, Esq. (bsandler@pszjlaw.com) and Colin R. Robinson, Esq. (crobinson@pszjlaw.com), and (b) 1700 Broadway, 36th Floor, New York, NY 10019, Attn: Robert J. Feinstein, Esq. (rfeinstein@pszjlaw.com), Shirley S. Cho, Esq. (scho@pszjlaw.com), and Theodore S. Heckel, Esq. (theckel@pszjlaw.com); (iii) the U.S. Trustee, J. Caleb Boggs Building, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801, Attn: Timothy J. Fox, Esq. (timothy.fox@usdoj.gov); (iv) counsel to the DIP Lenders and Ad Hoc Group of First Lien Lenders, (a) Paul Hastings LLP, 200 Park Avenue, New York, NY 10166, Attn: Jayme Goldstein, Esq. (jaymegoldstein@paulhastings.com), Jeremy Evans, Esq. (jeremyevans@paulhastings.com), and Isaac Sasson, Esq. (isaacsasson@paulhastings.com), and (b) Landis Rath & Cobb LLP, 919 N. Market Street Suite 1800, Wilmington, DE 19317, Attn: Adam G. Landis, Esq. (landis@lrclaw.com) and Matthew McGuire, Esq. (mcguire@lrclaw.com); (v) counsel to the DIP Agent, (a) Seward & Kissel LLP, One Battery Park Plaza, New York, NY 10004, Attn: Gregg Bateman, Esq. (bateman@sewkis.com), Sagar Patel, Esq. (patel@sewkis.com), and Michael Danenberg, Esq. (danenberg@sewkis.com); (vi) the fee examiner appointed in these Chapter 11 Cases, Don F. Oliver, Direct Fee Review LLC, 24A Trolley Square, #1225, Wilmington, Delaware, 19806, with an electronic copy sent to dfr.dfo@gmail.com and dfr.wjd@gmail.com; (vii) counsel to the ABL Lenders, Latham & Watkins LLP, 1271 Avenue of the Americas, New York, NY 10020, Attn: Jennifer Ezring, Esq. (Jennifer.Ezring@lw.com), James Ktsanes, Esq. (James.Ktsanes@lw.com) and Andrew Sorkin, Esq. (andrew.sorkin@lw.com); (viii) counsel to the Second Lien Term Loan Lenders, White & Case LLP, 200 S Biscayne Blvd, Miami, FL 33131,

Attn: Thomas Lauria, Esq. (tlauria@whitecase.com), and 111 S. Wacker Dr., Suite 5100, Chicago, IL 60606, Attn: Bojan Guzina, Esq. (bojan.guzina@whitecase.com); and (ix) counsel to the HoldCo Lenders at the addresses set forth in (vii) above.

PLEASE TAKE FURTHER NOTICE the terms and conditions of the Administrative Order shall not be modified by the Fee Examiner Order, except that not later than three (3) business days after the filing of an Application, an Estate Retained Professional² shall send to the Fee Examiner via electronic mail such Application and any time entries and the expense detail filed therewith in Adobe Acrobat (pdf) format and searchable electronic format (in LEDES, or Excel, as specified by the Fee Examiner), as applicable Fee Detail. If any Estate Retained Professional cannot reasonably convert its Fee Detail to the electronic formats described above, the Fee Examiner and the Estate Retained Professionals shall cooperate in good faith to agree on an appropriate electronic format.

PLEASE TAKE FURTHER NOTICE THAT IF NO OBJECTIONS ARE FILED AND SERVED IN ACCORDANCE WITH THE ABOVE PROCEDURES, THEN 80% OF FEES AND 100% OF EXPENSES REQUESTED IN THE APPLICATION MAY BE PAID PURSUANT TO THE ADMINISTRATIVE ORDER WITHOUT FURTHER HEARING OR ORDER OF THE COURT.

IF A TIMELY OBJECTION IS FILED AND SERVED, A HEARING ON THE APPLICATION WILL BE HELD AT A DATE AND TIME TO BE DETERMINED.

² Capitalized terms used but not otherwise defined in this Application have the meaning given to such terms in the Fee Examiner Order.

Dated: May 5, 2025

PACHULSKI STANG ZIEHL & JONES LLP

/s/ Colin R. Robinson

Bradford J. Sandler (DE Bar No. 4142)

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-and-

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*Counsel to the Official Committee
of Unsecured Creditors*

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FRANCHISE GROUP, INC., *et al.*,Debtors.¹

Chapter 11

Case No. 24-12480 (LSS)

(Jointly Administered)

Objections Due: May 27, 2025 at 4:00 P.M. (ET)**Hearing Date: To be scheduled if necessary**

**FIRST MONTHLY FEE APPLICATION FOR COMPENSATION AND
REIMBURSEMENT OF EXPENSES OF BACK BAY MANAGEMENT CORPORATION
AND ITS DIVISION, THE MICHEL-SHAKED GROUP, AS EXPERT WITNESS FOR
THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS FOR THE PERIOD
FROM MARCH 17, 2025 THROUGH APRIL 30, 2025**

Name of Applicant:	Back Bay Management Corporation and its Division, the Michel-Shaked Group
Authorized to Provide Professional Services to:	Expert Witness
Date of Retention:	Effective March 17, 2025 pursuant to Order dated May 5, 2025 [Docket No. 1393]

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Period for which Compensation and Reimbursement is Sought:	March 17, 2025 – April 30, 2025 ²
Amount of Compensation Sought as Actual, Reasonable and Necessary:	\$937,455.50
Amount of Expense Reimbursement Sought as Actual, Reasonable and Necessary:	\$6,586.11

This is a: ☒ monthly ☐ interim ☐ final application.

The total time expended for fee application preparation is approximately 14.5 hours and the corresponding compensation requested is approximately \$10,177.50.

Pursuant to sections 330 and 331 of Title 11 of the United States Code (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (collectively, the “Bankruptcy Rules”) and this *Court’s Order Establishing Procedures for Interim Compensation and Reimbursement of Estate Professionals* [Docket No. 353] (the “Administrative Order”) and the *Order Appointing Fee Examiner and Establishing Procedures for Consideration of Requested Fee Compensation and Reimbursement of Expenses* [Docket No. 747] (the “Fee Examiner Order”), Back Bay Management Corporation and its Division, the Michel-Shaked Group (“MSG” or the “Firm”), expert witness for the official committee of unsecured creditors (the “Committee”), hereby submits its *First Monthly Fee Application For Compensation And Reimbursement of Expenses of Back Bay Management Corporation and its Division, The Michel-Shaked Group as Expert Witness for the Official Committee of Unsecured Creditors for the Period from March 17, 2025 Through April 30, 2025* (the “Application”)

By this Application MSG seeks (i) a monthly interim allowance of compensation in the amount of \$937,455.50 and actual and necessary expenses in the amount of \$6,586.11 for a total

² The applicant reserves the right to include any time expended in the time period indicted above in future application(s) if it is not included therein.

allowance \$944,041.61 and (ii) payment of \$749,964.40 (80% of the allowed fees pursuant to the Administrative Order) and reimbursement of \$6,586.11 (100% of the allowed expenses pursuant to the Administrative Order) for a total payment of \$756,550.51 for the period March 17, 2025 through April 30, 2025 (the “Fee Period”).

Services Rendered and Disbursements Incurred During the Fee Period

1. **Exhibit A** sets forth a timekeeper summary that includes the respective names, positions, department, hourly billing rates, and aggregate hours spent by each MSG professional that provided services to the Committee during the Fee Period. The rates charged by MSG for services rendered to the Committee are the same rates that MSG charges generally for professional services rendered to its non-bankruptcy clients.
2. **Exhibit B** sets forth a summary by task that includes the aggregate hours per task spent by MSG professionals in rendering services to the Committee during the Fee Period.
3. **Exhibit C** sets forth a disbursement summary that includes the aggregate expenses, organized by general disbursement categories, incurred by MSG in connection with services rendered to the Committee during the Fee Period.
4. **Exhibit D** sets forth a complete itemization of all time records for MSG professionals for the Fee Period.

Dated: May 5, 2025

/s/ Brad Orelowitz

Brad Orelowitz
Managing Director
Back Bay Management Corporation
and its division, The Michel-Shaked Group